

**Binny Mills Limited**

**Third Annual Report  
2009 - 2010**

## **BINNY MILLS LIMITED**

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### **A REQUEST**

Please bring your copy of the Annual Report to the meeting.

**Binny Mills Ltd**

## **BINNY MILLS LIMITED**

**TCP Sapthagiri Bhavan, 4 (Old No.10), Karpagambal Nagar,  
Mylapore, Chennai – 600 004**

### **DIRECTORS**

Shri V. R. Venkataachalam - Chairman  
Shri V. Rajasekaran - Managing Director  
Shri V. Sengutuvan  
Shri S. Natarajan  
Shri S. Varatharajan \*

### ***Registered Office:***

TCP Sapthagiri Bhavan  
No.4 (Old No.10) Karpagambal Nagar,  
Mylapore,  
Chennai 600 004.

### ***Auditors:***

T.SELVARAJ & CO.,  
Chartered Accountants  
32, Dewan Rama Road,  
Purasawalkam,  
Chennai 600 084.

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## ***Binny Mills Limited***

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### **NOTICE**

NOTICE is hereby given that the Third Annual General Meeting of the Company will be held on Monday, the 27<sup>th</sup> September 2010 at 10-15 A.M. at No.106, Armenian Street, Chennai 600001 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Balance Sheet as at 31<sup>st</sup> March 2010 and the Audited Profit and Loss Account for the year ended on that date together with the Directors' Report and the Auditors' Report thereon.
2. To appoint a director in the place of Shri V. R. Venkataachalam who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Auditors and fix their remuneration.

In this context to consider, and if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** M/s T. Selvaraj & Co., Chartered Accountants, Chennai, be and are hereby appointed as the auditors of the company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting, on such remuneration as determined by the Board of Directors."

### **SPECIAL BUSINESS:**

4. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** subject to such approvals as may be required, the Articles of Association of the Company be altered in the manner set out below:

1. By inserting in the Articles of Association the following new articles:

#### **119'A. Retirement of Directors by Rotation**

- 1) As provided in Section 255 of the Companies Act, 1956, two-thirds of the total number of directors of the company, for the time being, shall be persons whose period of office is liable to determination by retirement of directors by rotation.
- 2) At each Annual General Meeting of the company one-third of such of the directors for the time-being as are liable to retire by rotation, or if their number is not three or a multiple of three, then the number nearest to one-third shall retire from office.

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3) The Managing Director shall not be liable to retire by rotation so long as he holds the office of Managing Director.

#### **119 B. Retiring Director eligible for re-election**

A retiring director shall be eligible for re-election. At the Annual General Meeting at which a director retires as per Article 119A, the company may fill up the vacancy by appointing the retiring director or some other person thereto.

#### **119 C. Which Directors to retire**

The directors to retire by rotation at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

2. By deleting in Article 63 – Lien on Shares - the words “including” and substituting there for the words “not being” and by inserting the word “and” between the words “first paramount” such that the altered Article 63 – Lien on Shares - will now be read as “Subject to the provisions of the Act, the Company shall have a first and paramount lien on all the shares not being fully paid-up shares registered in the name of each member.....”
3. By inserting in Article 14 – Shares under the control of Directors – the words “or right” between the words “option to” such that the altered Article 14 – Shares under the control of Directors – will now be read as “....and with the sanction of the company in General Meeting to give any person of the option or right to call for .....”
5. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Sections 198, 269, 309, 310 and 317 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 and subject to the superintendence, control and direction of the Board of Directors, approval of the members be and is hereby accorded to the appointment of Shri V. Rajasekaran as Managing Director of the company for a period of five years with effect from 12<sup>th</sup> May 2010 upon the terms and conditions as determined by the Board of Directors from time to time.”

**“RESOLVED FURTHER THAT** Shri V. Rajasekaran shall not be liable to retirement by rotation as per Article 119 A (3) of the Articles of Association of the company during his tenure as Managing Director.”

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## ***Binny Mills Limited***

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6. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri S. Natarajan, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the company with effect from 12<sup>th</sup> May 2010 and who holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing, pursuant to the provisions of Section 257 of the Companies Act, 1956 and Article 123 of the Articles of Association of the company, from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modifications, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** Shri S. Varatharajan, who was appointed as an Additional Director of the Company by the Board of Directors pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the company with effect from 12<sup>th</sup> May 2010 and who holds office up to the date of the ensuing Annual General Meeting and being eligible, offers himself for re-appointment and in respect of whom the Company has received a notice in writing, pursuant to the provisions of Section 257 of the Companies Act, 1956 and Article 123 of the Articles of Association of the company, from a member signifying his intention to propose him as a candidate for the office of Director, be and is hereby appointed as a Director of the company liable to retire by rotation."

By Order of the Board of Directors  
For Binny Mills Limited

**V. Rajasekaran**  
Managing Director

**Registered Office:**

TCP Sapthagiri Bhavan,  
No.4, (Old No.10) Karpagambal Nagar,  
Mylapore, Chennai 600 004.

Date: 27<sup>th</sup> August 2010

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#### **NOTES:**

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THAT THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.
2. Proxy Form, in order to be effective, must be deposited at the Registered Office of the company not later than 48 hours before the commencement of the meeting.
3. The relevant Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business under item Nos.4 to 7 set out above is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company will remain closed from 20<sup>th</sup> September 2010 to 27<sup>th</sup> September 2010 (both days inclusive).
5. Members/Proxies are requested to bring the attendance slip sent herewith, duly filled in, for attending the meeting and their copy of the Annual Report to the meeting.
6. Members who hold shares in dematerialized form are requested to write their Client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
7. In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
8. Members desiring to seek any information on the annual accounts or operations of the company are requested to send their queries to the Company, at least seven working days prior to the meeting, so that the required information can be made available at the meeting.
9. Members holding shares in physical form can now avail nomination facility for the shares held by them. Members desirous of availing this facility may send in their nominations in Form 2B duly filled in and signed to the Registrar and Share Transfer Agent of the Company viz, Cameo Corporate Services Ltd., 'Subramanian Building', 1<sup>st</sup> Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394.
10. M/s Cameo Corporate Services Ltd., 'Subramanian Building', 1<sup>st</sup> Floor, No.1, Club House Road, Chennai 600 002. Phone: 044-2846 0390 to 2846 0394 is the Company's Registrar and Share Transfer Agent for physical transfer of shares and all correspondence may be addressed directly to them. In respect of shares held in Demat form, members may send requests or correspond through their respective Depository Participants.
11. Corporate Members intending to send their authorised representatives are requested to send a duly certified copy of the Board resolution authorising their representatives to attend and vote at the Annual General Meeting.
12. Members who have multiple folios in identical names in the same order are requested to send all the Share Certificates either to the Company addressed to the Registered Office or to the Company's Registrar and Share Transfer Agent for consolidation of such folios into one to facilitate better services.

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***Binny Mills Limited***

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**ANNEXURE TO THE NOTICE****Explanatory Statement under Section 173(2) of the Companies Act, 1956****Item No.4:**

The Articles of Association is amended to include provisions relating to retirement of directors by rotation and to provide for the matters specified in Rule 19(2)(a) of the Securities Contracts (Regulation) Rules, 1957 to comply with the requirements with respect to the listing of the equity shares of the company on the Bombay Stock Exchange and the Madras Stock Exchange.

The Board recommends the resolution for members' approval.

**Item No.5:**

Shri V. Rajasekaran was appointed as Managing Director of the company for a period of five years from 12th May 2010 by the Board of Directors, with the consent of all directors present, at their meeting held on 12th May 2010, pursuant to Article 127 of the Articles of Association of the company and subject to the superintendence, control and direction of the Board of Directors. Shri V. Rajasekaran is presently holding office as Executive Director in TCP Limited. It is in the best interest of the company that he is appointed as the Managing Director. Shri V. Rajasekaran will not be drawing any remuneration from the company for the time being and until the Board determines the remuneration payable to him.

Part III of Schedule XIII of the Companies Act, 1956 provides that the appointment shall be approved by a resolution passed at a General Meeting of the company.

The Board recommends the resolution for members' approval.

No Director other than Shri V. Rajasekaran is concerned or interested in this resolution.

**Item No.6:**

At the meeting of the Board of Directors of the Company held on 12<sup>th</sup> May 2010, Shri S. Natarajan was appointed as an Additional Director of the company, with effect from that date, pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company. As an Additional Director, Shri S. Natarajan shall hold office only up to the date of the ensuing Annual General Meeting.

A Notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956 and Article 123 of the Articles of Association of the company, signifying his intention to propose Shri S. Natarajan as a candidate for the office of the Director of the Company.

The Board recommends the Resolution for approval by the members.

No Director other than Shri S. Natarajan is concerned or interested in this resolution.



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**Item No.7:**

At the meeting of the Board of Directors of the Company held on 12<sup>th</sup> May 2010, Shri S. Varatharajan was appointed as an Additional Director of the company, with effect from that date, pursuant to Section 260 of the Companies Act, 1956 and Article 121 of the Articles of Association of the Company. As an Additional Director, Shri S. Varatharajan shall hold office only up to the date of the ensuing Annual General Meeting.

A Notice in writing has been received from a member of the Company under section 257 of the Companies Act, 1956 and Article 123 of the Articles of Association of the company, signifying his intention to propose Shri S. Varatharajan as a candidate for the office of the Director of the Company.

The Board recommends the Resolution for approval by the members.

No Director other than Shri S. Varatharajan is concerned or interested in this resolution.

By Order of the Board of Directors  
For Binny Mills Limited

**V. Rajasekaran**  
Managing Director

**Registered Office:**  
TCP Sapthagiri Bhavan,  
No.4, (Old No.10) Karpagambal Nagar,  
Mylapore, Chennai 600 004.

Date: 27<sup>th</sup> August 2010

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## ***Binny Mills Limited***

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### **DIRECTORS' REPORT**

*To the Members*

Your Directors have pleasure in presenting the Third Annual Report and the Audited Accounts of your company for the year ended 31<sup>st</sup> March 2010.

### **FINANCIAL RESULTS**

|                            | <b>31<sup>st</sup> March 2010*</b><br>Rs. | <b>31<sup>st</sup> March 2009</b><br>Rs. |
|----------------------------|---|--|
| Sales and other Income     | 1,11,88,505                               | -  |
| Profit before Depreciation | 16,47,085                                 | (9,695)                                  |
| Depreciation               | 58,423                                    | -  |
| Profit Before Tax          | 15,88,662                                 | (9,695)                                  |
| Provision for Tax          | 2,45,448                                  | -  |
| Profit after Tax           | 13,43,214                                 | (9,695)                                  |

\*The financial results for the year ended 31<sup>st</sup> March 2010 is after including the results of the Agencies and Services Undertaking (post Demerger) for the period from 1<sup>st</sup> January 2010 to 31<sup>st</sup> March 2010.

### **SCHEME OF ARRANGEMENT AND DEMERGER**

Pursuant to the Demerger scheme of Binny Ltd, the Agencies and Services Undertaking of Binny Ltd has been demerged from Binny Ltd with effect from 1<sup>st</sup> January 2010 and has been transferred to and vested in Binny Mills Ltd on a going concern basis.

#### Events leading to the sanction of the Scheme of Arrangement by the Madras High Court:

At the Board Meeting held on 5<sup>th</sup> December 2009, Board approved the draft Scheme of Arrangement with Binny Ltd for the demerger of the Agencies & Services Division/Undertakings of Binny Ltd to your company. At the same meeting Board also approved the valuation reports on the share entitlement ratio and the Scheme to issue and allot to each member of Binny Ltd, whose name is recorded in their Register of Members on the Record Date, 1 equity share of Rs.10/- each fully paid-up of Binny Mills Ltd for every 7 equity shares of Rs.5/- each fully paid-up held by members of Binny Ltd, in consideration of the demerger including the transfer and vesting of the aforesaid Demerged Undertakings in your company.

At the Madras High Court convened Extraordinary General Meeting of the Equity shareholders of Binny Ltd held on 10<sup>th</sup> March 2010, certain modifications were made to the Scheme of Arrangement and the Equity Shareholders of Binny Ltd thereafter approved the modified Scheme of Arrangement.

At the Board Meeting held on 10<sup>th</sup> March 2010, Board approved the modified Scheme of Arrangement as approved by the Equity Shareholders of Binny Ltd.

The seven members of the company (pre-demerger) individually submitted Consent Affidavit dated 12<sup>th</sup> March 2010 to the Madras High Court submitting that they approve the modified Scheme of Arrangement as approved by the Board and giving their consent to Binny Mills Ltd to file a petition under sections 391 to 394 of the Companies Act, 1956 for the confirmation of the modified Scheme of Arrangement. The seven members of the company (pre-demerger), earlier, in their Consent Affidavit dated 20<sup>th</sup> January 2010, to the Madras High Court, while giving their consent for the original Scheme of Arrangement, also gave their